

Water and Sewer Operating Fund
For the period ended June 30, 2004
(amounts expressed in thousands)

	FY2003 CAFR	Adopted Budget	Current Budget	FY2004		
				YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 267,125	\$ 275,057	\$ 275,057	\$ 265,384	\$ 265,384	\$ 265,384
Sewer Sales	264,159	272,618	272,618	257,860	257,860	257,860
Penalties	4,036	3,741	3,741	4,150	4,150	4,150
Other	3,997	2,758	2,758	4,558	4,558	4,558
Total Operating Revenues	<u>539,317</u>	<u>554,174</u>	<u>554,174</u>	<u>531,952</u>	<u>531,952</u>	<u>531,952</u>
Operating Expenses						
Personnel	112,510	116,360	115,898	115,389	115,389	115,389
Supplies	21,824	24,508	26,183	24,966	25,000	25,000
Service Contracts & Utilities	113,563	124,091	123,276	112,887	112,887	112,887
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>247,897</u>	<u>265,959</u>	<u>266,357</u>	<u>253,242</u>	<u>254,276</u>	<u>254,276</u>
Operating Income (Loss)	<u>291,420</u>	<u>288,215</u>	<u>287,817</u>	<u>278,710</u>	<u>277,676</u>	<u>277,676</u>
Nonoperating Revenues (Expenses)						
Interest Income	20,736	14,653	14,653	13,458	13,458	13,458
Sale of Property, Mains and Scrap	1,048	1,464	1,464	693	693	693
Other	8,790	20,118	25,008	68,037	68,037	68,037
CWA & TRA Contracts (P & I)	<u>(30,934)</u>	<u>(32,701)</u>	<u>(32,701)</u>	<u>(31,454)</u>	<u>(31,454)</u>	<u>(31,454)</u>
Total Nonoperating Rev (Exp)	<u>(360)</u>	<u>3,534</u>	<u>8,424</u>	<u>50,734</u>	<u>50,734</u>	<u>50,734</u>
Income (Loss) Before Operating Transfers	<u>291,060</u>	<u>291,749</u>	<u>296,241</u>	<u>329,444</u>	<u>328,410</u>	<u>328,410</u>
Operating Transfers						
Debt Service Principal	50,335	67,488	67,488	67,492	67,492	67,492
Debt Service Interest	155,344	150,854	155,745	154,238	154,238	154,238
Discretionary Debt	23,811	30,021	30,021	29,572	29,572	29,572
Equipment Acquisition	14,976	16,688	16,289	8,145	8,145	8,145
Renewal and Replacement	0	26,698	16,598	0	0	0
Transfer to General Fund	0	0	0	0	4,100	4,100
Transfer to Combined Utility System	0	0	0	0	54,763	54,763
Accumulated Unexpended (ALP)	10,000	0	0	0	0	0
Transfer to Stormwater	<u>25,462</u>	<u>0</u>	<u>10,100</u>	<u>10,100</u>	<u>10,100</u>	<u>10,100</u>
Total Operating Transfers	<u>279,928</u>	<u>291,749</u>	<u>296,241</u>	<u>269,547</u>	<u>328,410</u>	<u>328,410</u>
Net Current Activity						
Operating Fund Only	\$ <u>11,132</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>59,897</u>	\$ <u>0</u>	\$ <u>0</u>

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.